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IN THE

Supreme Court of the United States

PASSPORT VIDEO, PASSPORT INTERNATIONAL PRODUCTIONS, INC., PASSPORT INTERNATIONAL PRODUCTIONS OF CALIFORNIA, INC., DANTE PUGLIESE,

Petitioners,

v.

ELVIS PRESLEY ENTERPRISES, INC., NATIONAL BANK OF COMMERCE, trustee of "THE PROMENADE TRUST"; SOFA ENTERTAINMENT, INC., JAYNE MEADOWS ALLEN, JERRY LIEBER, MIKE STOLLER, JULIAN J. ABERBACH AND ALFRED WERTHEIMER,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Does an injunction against a biography of a famous entertainer for copyright infringement violate the First Amendment when the allegedly infringing work is subject to a colorable fair use defense?

2. Does the requirement that injunctive relief be in the public interest prohibit the injunction of a biography of a famous entertainer for copyright infringement when the biography is subject to a colorable fair use defense?

3. Did the Court of Appeals evaluate the first and fourth factors of the statutory fair use defense under 17 U.S.C. § 107(a) in a manner inconsistent with this Court's decisions?

CORPORATE DISCLOSURE STATEMENT

Neither of the Petitioner corporations have parent corporations. No publicly held company owns 10% or more of the stock of either Petitioner corporation.

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Petitioners Passport Video, Passport International Productions, Inc., Passport International Productions of California, Inc. and Dante Pugliese petition for a writ of certiorari to review the judgment of the Court of Appeals for the Ninth Circuit in this case.

OPINIONS BELOW

The Opinion of the Court of Appeals is reported at 349 F.3d 622 and can be found in the Appendix hereto ("App.") at 1a. The Amended Dissent of Judge Noonan is reported at 357 F.3d 896 and can be found at App. 19a. The district court's Findings of Fact and Conclusions of Law are unreported and can be found at 28a.

STATEMENT OF JURISDICTION

The Ninth Circuit's Order denying Petitioners' Petition for Rehearing En Banc was filed on February 12, 2004. (App. 50a). The district court had subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338. The Ninth Circuit had jurisdiction over the appeal under Federal Rule of Civil Procedure 54(b) and 28 U.S.C. § 1292(a)(1). This Court has jurisdiction under 28 U.S.C. § 1254.

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The Patent and Copyright Clause confers upon Congress the Power: "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. Const., art. I, § 8, cl. 8.

The First Amendment provides, in pertinent part, that "Congress shall make no law . . . abridging the freedom of speech, or of the press. . . ." *Id.*, amend. I.

17 U.S.C. § 107(a) provides:

> Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work . . . for purposes such as criticism, comments, news reporting, teaching . . . scholarship or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include –
>
> > (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
> >
> > (2) the nature of the copyrighted work;
> >
> > (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
> >
> > (4) the effect of the use upon the potential market or value of the copyrighted work.

INTRODUCTION

This case presents this Court with an opportunity to settle, for the first time, an important federal question regarding the applicability of the First Amendment to fair use cases: Does the First Amendment provide an independent basis to bar an injunction against an infringing work subject to the fair use defense? In addition, this case will permit the Court to expand on its decision in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578 n.10 (1994) that a court must take into account the public interest before granting an injunction against an allegedly infringing work that asserts a colorable fair use defense.

Finally, the Ninth Circuit evaluated the first and fourth fair use factors in a manner inconsistent with this Court's opinions. As a result, its decision affirming the district court's finding that Respondents would likely defeat Petitioner's fair use defense was incorrect as a matter of law.

STATEMENT OF THE CASE

Petitioners produced and distributed "The Definitive Elvis," (the "Biography"), a sixteen hour biographical documentary of one of the most famous people in history, Elvis Presley. *USA Today* called the Biography "the most comprehensive overview yet of the King's [Presley's] personal and professional life." *Elvis Presley Enterprises, Inc. v. Passport Video*, 357 F.3d 896, 898 (9th Cir. 2004), (Noonan, C.J., dissenting). It also has been described by consumers as a "masterpiece" and a "must-have" for any Elvis fan.

Respondents are the owners of various copyrights in audiovisual works depicting Elvis Presley, musical compositions recorded and made famous by him, and still photographs of him, his family and associates (the "Copyrighted Materials"). Petitioners used numerous excerpts of the Copyrighted Material throughout the Biography. The vast majority of those excerpts are less than 20 seconds.

Petitioners spent $2,000,000 producing the Biography, over 90% of which consists of 216 original interviews, original location and establishing footage, and original music, created and owned by Petitioners. All of the Copyrighted Material collectively makes up less than 5% of the Biography. The Biography often depicts the interviewee discussing the contents of the excerpts of Copyrighted Material upon which Respondents sue, or otherwise use those excerpts to comment upon the subject of the Biography.

The Biography was released on July 23, 2002. Respondents filed their Complaint on September 9, 2002 (later amended to add additional plaintiffs) alleging claims for copyright infringement, trademark infringement, unfair competition, dilution, and infringement of the right to publicity. Respondents' Motion for a Preliminary Injunction, enjoining the further advertising and sale of the Biography, was granted by the district court, based on Respondents' First Claim for Copyright Infringement, on October 23, 2002, and entered on November 19, 2002.

Petitioners then filed an appeal to the United States Court of Appeals on November 25, 2002. The Ninth Circuit affirmed the district court in a 2-1 published opinion, which was filed on November 6, 2003. (App. A). Petitioners then

filed a timely Petition for Rehearing En Banc on November 19, 2003. On February 6, 2004, during the pendency of that Petition, Circuit Judge Noonan filed an Amended Dissent. (App. B). On February 12, 2004, the Ninth Circuit filed its Order denying Petitioner's Petition for Rehearing. (App. C).

REASONS FOR GRANTING THE PETITION

I. The Important Federal Question of Whether The First Amendment Bars an Injunction for Copyright Infringement When The Infringing Work Is Subject to a Colorable Fair Use Defense Should Be Settled By This Court

This case presents an important constitutional question of first impression: whether the First Amendment bars an injunction on copyright infringement grounds where the allegedly infringing work is subject to a colorable fair use defense.[1] Petitioner respectfully submits that this question must be answered in the affirmative.

Several commentators have opined that granting a preliminary injunction in a copyright case involving a colorable fair use defense would violate the First Amendment. In an article in the Duke Law Journal, noted constitutional law professors Mark A. Lemley (University of Texas School of Law) and Eugene K. Volokh (UCLA School of Law)

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1. There is no doubt that Petitioners asserted a colorable fair use defense. The Ninth Circuit held that the first factor was "a close issue;" the second factor in part was a "close call", and the fourth factor did not "weigh[] strongly in either side's favor." *Elvis Presley Enterprises, Inc. v. Passport Video*, 349 F.3d 622, 629, 631. (App. 7a).

concluded that preliminary injunctions in copyright cases involving fair use defenses are unconstitutional:

> [P]ermanent injunctions in copyright cases should generally be constitutional, and the same should go for preliminary injunctions that clearly involve literal copying [piracy] with no plausible claim of fair use or of copying mere idea rather than expression. Other preliminary injunctions, though, should generally be unconstitutional.

Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases* 48 DUKE L.J. 147, 151 (1998). (*See also*, *Id.* at 182: "preliminary injunctions in copyright cases pose serious free speech problems"). One of the most respected authorities on copyright law, David Nimmer, has also opined that the First Amendment may preclude the issuance of a preliminary injunction in copyright cases involving a fair use defense:

> [A] court might find that in the narrow area of 'news photographs,' the First Amendment precludes application of those remedies under the Copyright Act relating to infringer's profits, statutory damages, injunctive relief, and impounding and destruction of negatives and prints.

1 NIMMER ON COPYRIGHT § 1.10[C][2] (2002).[2]

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2. Nimmer defines photographs as "all products of the photographic and analogous processes, including motion picture film and video tape," and a "news photograph" as one where the event

(Cont'd)

Yet another commentator has indicated that injunctions should be denied in copyright cases where fair uses defenses are asserted. Kreiss, 43 UCLA L. REV. 71 (1995) ("In these cases, courts should . . . consider withholding injunctive relief.").

Unfortunately, the Ninth Circuit below rejected any separate evaluation of the propriety of the injunction on free speech grounds, holding that "First Amendment concerns in copyright cases are subsumed within the fair use inquiry." *Elvis Presley Enterprises, Inc. v. Passport Video*, 349 F.3d 622, 626 (App. 7a). This position, that no independent First Amendment analysis is permitted in copyright infringement cases, is also followed by the Second and D.C. Circuits.

In *Eldred v. Reno*, 239 F.3d 372, 376 (D.C. Cir. 2001), the D.C. Circuit held that the fact the works in question were copyrighted and subject to the fair use defense "obviated further inquiry under the First Amendment." The Second Circuit has similarly rejected "First Amendment challenges to injunctions from copyright infringement on the grounds that First Amendment concerns are protected by and coextensive with the fair use doctrine." *Nihon Keizai, Inc. v. Comline Bus. Data, Inc.*, 166 F.3d 65, 74 (2d Cir. 1999).

(Cont'd)

depicted in the photograph, as distinguished from the fact the photograph was made, is newsworthy. *Id.* Here, the clips Petitioners used from the Ed Sullivan Show and the 1968 Comeback Special, are clearly news "photographs" because Petitioners are commenting on the newsworthiness of the events depicted therein: Elvis Presley's historical appearance on the Ed Sullivan Show and the surprising revival of his career on the Comeback Special, respectively.

Only one Court of Appeal has held that the First Amendment can be evaluated in conjunction with a fair use defense in determining whether an injunction should issue. In *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1276 (11th Cir. 2001), the Eleventh Circuit became the first to use the First Amendment to limit a copyright holder's rights:

> Thus, a lack of irreparable injury to Suntrust, together **with the First Amendment concerns regarding comment and criticism *and*** the likelihood that a fair use defense will prevail, make injunctive relief improper. . . . the issuance of the injunction was at odds with the shared principles of the First Amendment and the copyright law. (Emphasis supplied).

Suntrust Bank v. Houghton Mifflin Co., 268 F.3d 1257, 1276, 1277 (11th Cir. 2001).

Two years later, this Court, in *Eldred v. Ashcroft*, 537 U.S. 186 (2003), held that copyrighted works are not "categorically immune from challenges under the First Amendment" and that, in fact, courts are specifically directed to consider First Amendment challenges if their decision "altered the traditional contours of copyright protection[,]" *Eldred* at 789. Given the Court's willingness to consider the First Amendment as a distinct basis for analyzing copyright cases, it should take this opportunity to hold that there are, in fact, certain cases where an injunction of the infringing work would be violative of the First Amendment.

This is such a case. The Biography was a massive undertaking that, by all accounts, lives up to its name, "The *Definitive* Elvis." Over ninety five percent (95%) of the Biography consists of hundreds of original interviews and other new footage created by Petitioner; only 5% of it is made up of the Respondents' copyrighted works. Enjoining such an exhaustive biographical documentary without even considering the possibility that damages alone could adequately compensate the Respondents for any infringements (in the event fair use was found to be absent)[3] surely violates the First Amendment guarantees of free speech.

As Judge Noonan stated in his dissenting Opinion below:

> In a case of this kind involving the biography of a man with an immense following, it is necessary for the court to keep in mind that injunctions are a device of equity and are to be used equitably, and that a court suppressing speech must be aware that it is trenching on a zone made sacred by the First Amendment.

Elvis Presley Enterprises, Inc. v. Passport Video, 357 F.3d 896, 899 (Noonan, C.J., dissenting) (App. 25a).

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3. *See, e.g., Abend v. MCA*, 863 F.2d 1465, *aff'd sub nom., Stewart v. Abend*, 495 U.S. 207 (1990), where the Ninth Circuit determined that an injunction of a classic film was not appropriate because monetary damages would adequately compensate for any infringement.

II. By Disregarding The Public Interest When It Affirmed the Preliminary Injunction, The Ninth Circuit Decided an Important Federal Question In a Way That Conflicts With a Decision of This Court and The Ninth Circuit's Own Precedent

The Ninth Circuit's affirmance of the district court's order granting a preliminary injunction of the Biography (App. D, 47a), is at odds with the Court's decision in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578, n.10. (1994). There, the Court held:

> Because the fair use enquiry often requires close questions of judgment as to the extent of permissible borrowing in cases involving parodies (***or other critical works***) courts may want to bear in mind that the goals of the copyright law, 'to stimulate the creation and publication of edifying matter,' Leval 1134, are not always best served by automatically granting injunctive relief when parodists are found to have gone beyond the bounds of fair use. *See* 17 U.S.C. § 502(a) (court 'may . . . grant . . . injunctions on such terms as it may deem reasonable to prevent or restrain infringement.') (Emphasis added); Leval 1132 (while in the 'vast majority of cases, [an injunctive] remedy is justified because most infringements are simple piracy,' such cases are 'worlds apart from many of those raising reasonable contentions of fair use' where '**there may be a strong public interest in the publication of the secondary work [and] the copyright owner's interest may be adequately protected by an award of damages for whatever**

> **infringement is found.**') *Abend v. MCA, Inc.*, 863 F.2d 1465, 1479 (CA9 1988) (finding 'special circumstances' that would cause 'great injustice' to Petitioners and 'public injury' were injunction to issue.) *Aff'd sub nom. Stewart v. Abend*, 495 U.S. 207 (1990). (Emphasis supplied).

The Eleventh Circuit recently applied this passage from *Campbell* to deny injunctive relief where there was a colorable fair use defense: "the Supreme Court has cautioned that such relief may not be consistent with the goals of copyright law in cases in which the alleged infringer of the copyright has a colorable fair-use defense." *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1265 (11th Cir. 2001) (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578 n.10 (1994)).

This Court's determination in *Campbell* that an injunction of a critical work which raises a credible fair use defense, such as the Biography, would not be in the public interest is the progeny of *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417 (1984). In *Sony*, the Court stated:

> Even if it were deemed that home-use recording of copyrighted material constituted infringement, the Betamax could still legally be used to record noncopyrighted material or material whose owners consented to the copying. **An injunction would deprive the public** of the ability to use

> the Betamax for this noninfringing off-the-air recording. (Emphasis Supplied).

Sony, 464 U.S. at 443.[4]

In addition, the Ninth Circuit's failure to analyze or discuss the impact of the preliminary Injunction on the public interest, runs contrary to its own previous opinion in *Sammartano v. First Judicial District Court*, 303 F.3d 959 (9th Cir. 2002):

> [O]ur precedent requires that we examine the public interest in determining the appropriateness of a preliminary injunction. While we have at times subsumed this inquiry into the balancing of hardships, *see, e.g., Caribbean Motor Services Co. v. Baldridge*, 844 F.2d 668, 674 (9th Cir. 1988), it is better seen as an element that deserves separate attention in cases where the public interest may be affected. *See Fund for Animals v. Lujan*, 962 F.2d 1391, 1400 (9th Cir. 1992); *see also, Wetlands Water District v. Natural Resources Defense Council*, 43 F.3d 457, 459 (9th Cir. 1994) ("If the public interest is involved, the

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4. *See also Weinberger v. Romero-Barcelo*, 456 U.S. 305, 312-313 (1982):

> [W]here an injunction is asked which will adversely affect a public interest for whose impairment, even temporarily, an injunction bond cannot compensate, the court may in the public interest withhold relief until a final determination of the rights of the parties, though the postponement may be burdensome to the plaintiff.

> district court must also determine whether the public interest favors the [movant]").

As noted by Judge Noonan in his dissent, there is little question that the Biography, a 16 hour exhaustive biography of one of the most important figures in the twentieth century, and perhaps the most famous entertainer of all time, is a matter of public interest. *Elvis Presley Enterprises, Inc. v. Passport Video*, 357 F.3d 896, 898 (9th Cir. 2004), (Noonan, C.J., dissenting). The Biography has been described in unbiased media reports as "the most comprehensive overview yet of the King's [Presley's] personal and professional life" *Id.* and by consumers as a "masterpiece" and a "must-have" for any Elvis fan.[5]

Notwithstanding the inescapable conclusion that the Biography is a matter of public interest, and this Court's decision in *Campbell* (and the Ninth Circuit's own decision

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5. As the Court stated in *Monster Communications, Inc. v. Turner Broadcasting System, Inc.*, 935 F. Supp. 490, 494 (S.D.N.Y. 1996) in upholding a fair use defense for, and denying a preliminary injunction against, a defendant who created a documentary about Muhammad Ali using 14 film clips owned by plaintiff, "[T]here can be little doubt that Ali is a figure of legitimate public concern and that his television biography is a subject of public interest." *See also Trust Company Bank v. Putnam Publishing*, 5 USPQ2d 1874, 1877 (C.D. 1988):

> There is a strong public interest favoring the publication of books and novels; an injunction prohibiting the publication of The Blue Bicycle would not serve that public interest in the integrity of copyrights and does not in this case outweigh the public interest in free expression.

in *Sammartano*) neither the trial court, nor the Ninth Circuit, analyzed, discussed or even mentioned the issue of whether the preliminary injunction was in the public interest. This complete failure to address an important limitation on the power of a court to grant injunctive relief in copyright infringement cases should never recur. To make sure it does not, this Court should expand on its statement in *Campbell* and hold that injunctions of critical works which are subject to a colorable fair use defense should not be granted, because such injunctions violate the public interest.

III. The Ninth Circuit's Decision Evaluated The Two Most Important Fair Use Factors, The First and The Fourth, In a Way That Is Inconsistent With This Court's Prior Decisions and Decisions of The Second Circuit

The first and fourth fair use factors, 17 U.S.C. § 107(a) (1) and (4) are inarguably the two most important factors in evaluating the fair use question. *See, e.g.*, *Harper & Row Publishers v. Nation Enters.*, 471 U.S. 539 (1985); *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994).

By evaluating those factors in a way that is inconsistent with this Court's decisions and in conflict with the Second Circuit, the Ninth Circuit came to the wrong conclusion when it found the district court had not erred. If these factors had been properly applied, the Ninth Circuit would have been compelled to find that Petitioner's fair use defense would likely have prevailed, requiring a denial of the injunction.

A. *The First Factor*

The first fair use factor is "(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes." By finding that commercial nature of the Biography "weighs against a finding of fair use," *Elvis Presley Enterprises, Inc. v. Passport Video*, 349 F.3d 622, 627 and ignoring Petitioner's contention that the Biography should be viewed as presumptively fair, the Ninth Circuit came to the wrong conclusion regarding this first factor, in conflict with decisions of this Court and the Second Circuit.

First, in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), this Court expressly ruled that a commercial use is not presumptively unfair. *Id.*, 510 U.S. at 583-84. The Ninth Circuit's decision below runs counter to that holding.

Second, because the Biography used the Respondents' copyrighted works in a critical biography, the Second Circuit would determine that there is a strong presumption that Petitioners' use is **fair**. *Wright v. Warner Books, Inc.*, 953 F.2d 731 (2d Cir. 1991); *Robinson v. Random House*, 877 F. Supp. 830 (S.D.N.Y. 1995).

An illustrative case with facts very similar to this one is *Hofheinz v. A&E Television Networks*, 146 F. Supp. 442 (S.D.N.Y. 2001). In *Hofheinz*, the A&E Network produced an episode of their critically acclaimed commercial show, "Biography," about actor Peter Graves. To illuminate Graves's early acting career, A&E used, without a license, a clip from a film in which he appeared, the copyright to which was owned by Plaintiff.

When granting A&E's motion for summary judgment based on its fair use defense, the district court found that the first factor, the purpose and character of the use, tipped in A&E's favor:

> Here, A&E's biography of Peter Graves does not merely purport to supersede the original movie at issue, but to create a new copyrightable film biography. There is a strong presumption that this factor favors the defendant when the allegedly infringing work fits the description described in § 107 of "criticism, comment, news reporting, teaching . . . scholarship or research." The Court of Appeals summed up the application of this factor to works of biography: "our cases establish that biographies in general and critical biographies, in particular, fit 'comfortably within' these statutory categories "of uses illustrative of uses that can be fair.'" *New Era Publications Inter. ApS v. Carol Publishing Group*, 904 F.2d 152, 156 (2d Cir.1990) (quoting *Salinger v. Random House, Inc.*, 811 F.2d 90 (2d Cir. 1987), *cert. denied*, 484 U.S. 890, 108 S. Ct. 213, 98 L. Ed. 2d 177 (1987).

B. *The Fourth Factor*

The fourth fair use factor is "the effect of the use upon the potential market or value of the copyrighted work." 17 U.S.C. § 107(a)(4).

The Ninth Circuit agreed with the district court and found that the fourth factor tips in Respondents' favor because the Biography abrogates Respondents' ability to license clips of

the Copyrighted Materials and interfered with their plans to release their own planned biography of Elvis Presley, which would incorporate much or all of the Copyrighted Material.

Once again, the Ninth Circuit improperly concluded that because Petitioner's use was commercial, the likelihood of market harm could be presumed. *Elvis Presley Enterprises, Inc. v. Passport Video*, 349 F.3d 622, 631 (9th Cir. 2004). This conclusion is in direct conflict with this Court's holding in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 591 (1994): "No 'presumption' or inference of market harm that might find support in Sony is applicable to a case involving something beyond mere duplication for commercial purposes." Simply put, there is no presumption of harm in evaluating the fourth factor just because the second, allegedly infringing work is commercial.

Moreover, the Court of Appeals' analysis of the fourth factor without reference to that mistaken presumption is flawed. First, the court agreed with Respondents' claim that Petitioners' failure to obtain a license from them for the various alleged uses of copyrighted material in the Biography will harm Respondents' ability to license clips of the Copyrighted Material. *Elvis Presley Enterprises, Inc. v. Passport Video*, 349 F.3d 622, 631 (9th Cir. 2004). This is circular reasoning at its most insidious.

If the use made by Petitioners is fair, then there is no market for licensing the clips for this type of biographical documentary. Indeed, the Court has recognized that the charging of license fees for the "potential market" are relevant to market harm only when the license is for a derivative work. *See, e.g., Harper & Row Publishers v. Nation Enters.*, 471 U.S. 539, 567-68 (1985) (serialization rights of a book);

Stewart v. Abend, 495 U.S. 207, 228-30 (1990) (television, motion picture, and dramatic adaptations of a literary work); *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 (1994) (nonparody, "rap" adaptation of a musical work).

Thus, Respondents cannot control a use simply by characterizing that use as a "potential market" and deciding to charge for it. This Court routinely rejects attempts by owners to expand the scope of their exclusive rights. *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 431 (1984).

The same argument accepted by the courts below was rejected by the court in *Hofheinz v. A&E Television Networks*, 146 F. Supp.2d 442, 447 (S.D.N.Y. 2001) (The Peter Graves "Biography" on A & E Network):

> Plaintiff may not boot-strap the specter of a fair use holding against her here, on the facts of this case, as reason why the use was not a fair use to begin with. This circularity was addressed by Judge Sifton in Hofheinz's earlier infringement suit in *Hofheinz v. AMC Productions, Inc.*, 147 F. Supp.2d 127 [sic] (E.D.N.Y. 2001). Hofheinz made the same adverse impact claim in that case and Judge Sifton noted that 'plaintiff's argument, if carried to its logical conclusion, would eviscerate the affirmative defense of fair use since every copyright infringer seeking the protection of the fair use doctrine could have potentially sought a license from the owner of the infringed work. *Id.* at 140.

Therefore,

> [T]he question is what effect will the exhibition of defendant's [work] have on the demand for plaintiff's infringed works themselves, not the effect the [work] will have on her ability to license those works in the future. *Hofheinz v. AMC*, 147 F. Supp.2d 127, 140 (E.D.N.Y. 2001).

Hofheinz v. A&E Television Networks, 146 F. Supp. 442, 449 (S.D.N.Y. 2001).

Second, Respondents' claim that the Biography will negatively impact on Respondents' own future anthological work should have been disregarded in the Ninth Circuit's analysis of the fourth factor:

> As we recently stated in *Wright*, the relevant market effect is that which stems from defendant's use of plaintiff's "expression," not that which stems from defendant's work as a whole. *Wright*, 953 F.2d at 739. Defendant, after all, is perfectly entitled to create a competing work. The copyright statute simply constrains her from using plaintiff's original expression in doing so. Thus, in cases such as this where a meaningful distinction may be drawn between the infringing portions of defendant's work and the work as a whole, we need only consider the market effect of the infringing portions . . .

Arica Institute, Inc. v. Palmer, 970 F.2d 1067, 1078 (2d Cir. 1992).

Accordingly, even if the Biography may be competitive with Respondents' own planned Elvis anthology, that fact cannot be considered when evaluating the fourth factor. Only the use of the Copyrighted Material can be evaluated for determining the effect on the protected work when analyzing the fourth factor.

The Ninth Circuit's failure to correctly analyze the two most important fair use factors caused it to mistakenly affirm the injunction against Petitioner. This Court should grant certiorari to correct this unjust result.

CONCLUSION

For the foregoing reasons, the petition for certiorari should be granted.

Respectfully submitted,

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APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT FILED NOVEMBER 6, 2003

United States Court of Appeals,
Ninth Circuit.

No. 02-57011.

ELVIS PRESLEY ENTERPRISES, INC., a Tennessee Corporation; National Bank of Commerce, trustee of the Promenade Trust; Sofa Entertainment, Inc., a California corporation; Jane Meadows Allen, trustee of the Allen Family Revocable Living Trust; Jerry Leiber, individually dba Jerry Leiber Music; Mike Stoller, individually dba Mike Stoller Music; Julian J. Aberbach, an individual; Alfred Wertheimer, an individual,

Plaintiffs-Appellees,

v.

PASSPORT VIDEO, a business of unknown form and origin; Passport International Productions, Inc., a California Corporation; Passport International Productions of California, Inc., a California Corporation; Dante J. Pugliese, an individual,

Defendants-Appellants,

and

Does, 1 Through 10, inclusive; Passport Entertainment, a California Corporation,

Defendants.

Appendix A

Argued and Submitted Aug. 8, 2003.
Filed Nov. 6, 2003.

Before NOONAN, TALLMAN, and RAWLINSON, Circuit Judges.

Opinion by Judge TALLMAN; Dissent by Judge NOONAN

OPINION

TALLMAN, Circuit Judge:

The King is dead. His legacy, and those who wish to profit from it, remain very much alive. To what extent may a film maker, under the banner of "fair use," incorporate video clips, photographs, and music into a biography about Elvis Presley without permission from the copyright owners of those materials? The district court—weighing the four statutory fair use factors under 17 U.S.C. § 107—held that the film biographer in this case likely did not use the copyrighted materials fairly and enjoined the film maker from further distribution of its biography. We affirm.

I

A

Plaintiffs are a group of companies and individuals holding copyrights in various materials relating to Elvis Presley. For example, plaintiff SOFA Entertainment, Inc., is the registered owner of several Elvis appearances on *The Ed*

Sullivan Show. Plaintiff Promenade Trust owns the copyright to two television specials featuring Elvis: *The Elvis 1968 Comeback Special* and *Elvis Aloha from Hawaii*. Plaintiff Allen Family Revocable Living Trust owns the copyright to the 1956 episode of *The Steve Allen Show* that featured Elvis as a guest.

Plaintiffs' copyright holdings extend beyond the television medium. Plaintiffs Jerry Leiber and Mike Stoller are song-writers who own copyrights in many of Elvis' most famous songs, including *Jailhouse Rock* and *Hound Dog*. Plaintiff Alfred Wertheimer is a professional photographer who owns numerous copyrighted photographs of Elvis.

Many Plaintiffs are in the business of licensing their copyrights. For example, SOFA Entertainment charges $10,000 per minute for use of Elvis' appearances on *The Ed Sullivan Show*.

B

Passport Entertainment and its related entities (collectively "Passport") produced and sold *The Definitive Elvis*, a 16-hour video documentary about the life of Elvis Presley. *The Definitive Elvis* sold for $99 at retail. Plaintiffs allege that thousands of copies were sent to retail outlets and other distributors. On its box, *The Definitive Elvis* describes itself as

> an all-encompassing, in-depth look at the life and career of a man whose popularity is unrivaled in the history of show business and who continues

> to attract millions of new fans each year. This ground-breaking, sixteen-hour series is brimming with classic film clips, rare home movies, [and] never- before-seen photos . . .
>
> . . . .
>
> Every **Film and Television Appearance** is represented in this series as well as **Rare Footage Of Many of Elvis' Tours & Concerts**

(emphasis in original).

The biography itself is indeed exhaustive. The producers interviewed over 200 people regarding virtually all aspects of Elvis' life. The documentary is divided into 16 one-hour episodes, each with its own theme. For example, one episode is entitled "The Army Years," whereas another—"The Spiritual Soul of Elvis"—chronicles the religious themes of Elvis' life and music.

The Definitive Elvis uses Plaintiffs' copyrighted materials in a variety of ways. With the video footage, the documentary often uses shots of Elvis appearing on television while a narrator or interviewee talks over the film. These clips range from only a few seconds in length to sections running as long as 30 seconds. In some instances, the clips are the subject of audio commentary, while in other instances they would more properly be characterized as video "filler" because the commentator is discussing a subject different from or more general than Elvis' performance on a particular television show. But also significant is the frequency with which the

copyrighted video footage is used. *The Definitive Elvis* employs these clips, in many instances, repeatedly. In total, at least 5% to 10% of *The Definitive Elvis* uses Plaintiffs' copyrighted materials.

Use of the video footage, however, is not limited to brief clips. In several instances, the audio commentary discusses Elvis' appearance on a show and then, without additional voice-over, a clip is played from the show featuring Elvis. For example, one excerpt from *The Steve Allen* show plays continuously for over one minute without interruption. This excerpt includes the heart of Elvis' famous "Hound Dog" appearance on *The Steve Allen* show. Many other clips from Elvis' appearances on various television shows run between 10 and 30 seconds.

In the aggregate, the excerpts comprise a substantial portion of Elvis' total appearances on many of these shows. For example, almost all of Elvis' appearance on *The Steve Allen Show* is contained in *The Definitive Elvis*. Thirty-five percent of his appearances on *The Ed Sullivan Show* is replayed, as well as three minutes from *The 1968 Comeback Special*.

The use of Plaintiffs' copyrighted still photographs and music is more subtle and difficult to spot. The photographs are used in a way similar to some of the video footage: the photograph is displayed as video filler while a commentator discusses a topic. The photographs are not highlighted or discussed as objects of the commentary like many of the video pieces are. Finally, the songs are played both as background music and in excerpts from Elvis' concerts, television appearances, and movies.

Appendix A

C

Plaintiffs sued Passport for copyright infringement. It is undisputed that Passport used Plaintiffs' copyrighted materials in *The Definitive Elvis* without obtaining licenses. Indeed, Passport had sought a license from at least one of the Plaintiffs, Elvis Presley Enterprises, Inc., but it refused Passport's request since it planned to release its own anthology in 2004 to commemorate the 50th anniversary of the beginning of Elvis' musical career. Passport, however, asserts that its use of the copyrighted materials was "fair use" under 17 U.S.C. § 107.

Plaintiffs moved for a preliminary injunction, which was granted by the district court after a hearing. The district court found that Passport's use of Plaintiffs' copyrighted materials was likely not fair use. The court enjoined Passport from selling or distributing *The Definitive Elvis*. Passport timely appeals.

II

This Court has jurisdiction over an appeal from an order granting a preliminary injunction under 28 U.S.C. § 1292(a). A district court's order granting a preliminary injunction is reviewed for an abuse of discretion. *Gerling Global Reinsurance Corp. of Am. v. Low*, 240 F.3d 739, 743 (9th Cir.2001). A district court abuses its discretion if it bases its decision on an erroneous legal standard or clearly erroneous factual findings. *Id.*

Appendix A

III

A

Passport first argues that the preliminary injunction is unconstitutional because (1) Passport can present a plausible fair use defense; (2) commentators have suggested in such situations that a preliminary injunction might be an unconstitutional prior restraint; and (3) some cases have refused to grant preliminary injunctions based on, at least in part, First Amendment principles.

We need not jump into this briar patch. We have held that First Amendment concerns in copyright cases are subsumed within the fair use inquiry. In other words, if the use of the alleged infringer is not fair use, there are no First Amendment prohibitions against granting a preliminary injunction. *See, e.g., A & M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1028 (9th Cir.2001) ("Uses of copyrighted material that are not fair uses are rightfully enjoined."); *Dr. Seuss Enters. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1403 (9th Cir.1997).

B

Passport next alleges that Plaintiffs' delay in bringing their suit prejudiced Passport after Passport invested more than $2 million in the venture, and thus injunctive relief is barred by laches. Some Plaintiffs learned of Passport's possible use of their copyrighted materials in June 2001, but did not file their complaint until September 2002. Passport asserts that this case is similar to *Trust Co. Bank v. Putnam Publishing Group, Inc.*, 5 U.S.P.Q.2d 1874 (C.D.Cal.1988).

Passport's contentions have little merit. First, Passport did not publish *The Definitive Elvis* until July 2002. Plaintiffs filed suit within two months. There was no way for Plaintiffs to assess whether Passport's use would be fair until they saw the final product. Second, as Plaintiffs point out, if Plaintiffs had brought suit before the work was published it might have raised a viable prior restraint argument by Passport. *See, e.g., Globe Int'l, Inc. v. Nat'l Enquirer, Inc.*, 27 Media L. Rep. 1491, 1999 WL 727232, at *1 (C.D.Cal.1999). Finally, Passport's reliance on *Trust Co. Bank* is unavailing. There, the plaintiffs knew the exact content of the infringing book well over two years before they brought suit. 5 U.S.P.Q.2d at 1877, 1988 WL 62755. Based on that fact, as well as the substantial investment by the defendants in the interim, the district court held that the plaintiffs were barred by laches. *Id.* at 1879-80, 1988 WL 62755. Here, conversely, Plaintiffs did not have knowledge of the final product produced by Passport until July 2002, and their subsequent complaint filed weeks later was not an unreasonable delay.

IV

A preliminary injunction should be granted if a plaintiff can show either: (1) a combination of probable success on the merits and the possibility of irreparable harm; or (2) that serious questions are raised and the balance of hardships tilt in the plaintiff's favor. *A & M Records*, 239 F.3d at 1013. When a plaintiff is likely to succeed on the merits of a copyright infringement claim, irreparable harm is presumed. *Triad Sys. Corp. v. Southeastern Exp. Co.*, 64 F.3d 1330, 1335 (9th Cir.1995). The only argument Passport presents to counter the irreparable harm presumption is the laches

argument rejected above. Therefore, this case turns on whether the district court abused its discretion when it determined that Plaintiffs will probably succeed on the merits. Fair use is the only issue in contention on the merits.

17 U.S.C. § 107 states:

> the fair use of a copyrighted work ... for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—
>
> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for and value of the copyrighted work.

This analysis should not be "simplified with bright-line rules," but instead requires a "case-by-case analysis." *Los Angeles News Serv. v. CBS Broad., Inc.*, 305 F.3d 924, 938

(9th Cir.2002), *amended by* 313 F.3d 1093 (2002) (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577-78, 114 S.Ct. 1164, 127 L.Ed.2d 500 (1994)). Contrary to the divide and conquer approach taken by the dissent, we may not treat the factors in isolation from one another. "All are to be explored, and the results weighed together, in light of the purposes of copyright." *Los Angeles News Serv.*, 305 F.3d at 938. *See also Kelly v. Arriba*, 336 F.3d 811, 822 (9th Cir.2002).

A

We first address the purpose and character of Passport's use of Plaintiffs' copyrighted materials. Although not controlling, the fact that a new use is commercial as opposed to non-profit weighs against a finding of fair use. *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 562, 105 S.Ct. 2218, 85 L.Ed.2d 588 (1985). And the degree to which the new user exploits the copyright for commercial gain—as opposed to incidental use as part of a commercial enterprise—affects the weight we afford commercial nature as a factor. *See e.g.*, *Kelly* 336 F.3d at 818; *see also Harper & Row*, 471 U.S. at 562, 105 S.Ct. 2218 ("The crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price.").

More importantly for the first fair-use factor, however, is the "transformative" nature of the new work. *Campbell*, 510 U.S. at 579, 114 S.Ct. 1164; *CBS Broadcasting*, 305 F.3d at 938. Specifically, we ask "whether the new work . . .

merely supersedes the objects of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message. . . ." *Campbell*, 510 U.S. at 579, 114 S.Ct. 1164 (citation and quotation marks omitted). The more transformative a new work, the less significant other inquiries, such as commercialism, become. *Id.*

Two district courts have found that the use of film clips in biographies is transformative. In *Monster Communications, Inc. v. Turner Broadcasting System, Inc.*, 935 F.Supp. 490, 491 (S.D.N.Y.1996), the district court considered whether a movie biography about Muhammad Ali violated the plaintiff's copyrights in video footage that was used in the boxer's biography for less then two minutes. The court found that the biography, while commercial, "constitutes a combination of comment, criticism, scholarship and research" concerning "a figure of legitimate public concern" and thus the purpose and character of the biography weighed in favor of fair use. *Id.* at 493-94 (citation and quotation marks omitted).

In *Hofheinz v. A & E Television Networks*, 146 F.Supp.2d 442, 444 (S.D.N.Y.2001), the court considered whether A & E's use of copyrighted film clips for a biography of actor Peter Graves was fair use. The court found that the biography was transformative because use of a movie trailer clip for a "B" movie "was not shown to recreate the creative expression reposing in plaintiff's film." *Id.* at 446. The biography narrator introduced the movie clip as outdated and "campy." *Id.* at 444. Its purpose was to "enabl[e] the viewer to understand the actor's modest beginnings in the film business." *Id.* at 446-47.

Appendix A

The district court below found that the purpose and character of *The Definitive Elvis* will likely weigh against a finding of fair use. We cannot say, based on this record, that the district court abused its discretion.

First, Passport's use, while a biography, is clearly commercial in nature. But more significantly, Passport seeks to profit directly from the copyrights it uses without a license. One of the most salient selling points on the box of *The Definitive Elvis* is that "Every **Film and Television Appearance** is represented." Passport is not advertising a scholarly critique or historical analysis, but instead seeks to profit at least in part from the inherent entertainment value of Elvis' appearances on such shows as *The Steve Allen Show*, *The Ed Sullivan Show*, and *The 1968 Comeback Special.* Passport's claim that this is scholarly research containing biographical comments on the life of Elvis is not dispositive of the fair use inquiry.

Second, Passport's use of Plaintiffs' copyrights is not consistently transformative. True, Passport's use of many of the television clips is transformative because the clips play for only a few seconds and are used for reference purposes while a narrator talks over them or interviewees explain their context in Elvis' career. But voice-overs do not necessarily transform a work. *See L.A. News Serv. v. KCAL-TV Channel 9*, 108 F.3d 1119, 1122 (9th Cir.1997). " 'There must be real, substantial condensation of the materials . . . and not merely the facile use of scissors; or extracts of the essential parts, constituting the chief value of the original work.' " *CBS Broad., Inc.*, 305 F.3d at 939 (quoting *Folsom v. Marsh*, 9 F. Cas. 342, 345 (C.C.D.Mass.1841) (Story, J.)).

Appendix A

It would be impossible to produce a biography of Elvis without showing some of his most famous television appearances for reference purposes. But some of the clips are played without much interruption, if any. The purpose of showing these clips likely goes beyond merely making a reference for a biography, but instead serves the same intrinsic entertainment value that is protected by Plaintiffs' copyrights.

We think Passport's use of significant portions of *The Steve Allen Show* is especially troubling. While showing a clip from these television shows is permissible to note their historical value, Passport crosses the line by making more than mere references to these events and instead shows significant portions of these copyrighted materials. Finally, Passport does not even offer up a specific justification regarding its use of Plaintiffs' copyrights in still photographs and music.

This first factor is a close issue. Courts have described new works as "transformative" when the works use copyrighted material for purposes distinct from the purpose of the original material. Here, Passport's use of many of the television clips is transformative because they are cited as historical reference points in the life of a remarkable entertainer. *The Definitive Elvis* "nature as a biography transforms the purpose of showing these clips from pure entertainment to telling part of the story of Elvis" life. But many of the film clips seem to be used in excess of this benign purpose, and instead are simply rebroadcast for entertainment purposes that Plaintiffs rightfully own. This comes as no surprise to the viewer since *The Definitive Elvis* advertises as much on its external packaging.

We need not decide how we would resolve this factor were we to review it de novo. For our inquiry is simply whether the district court abused its discretion. The district court's decision that the first factor weighs against fair use was not based on an erroneous legal standard or clearly erroneous factual finding. *See A & M Records, Inc.*, 239 F.3d at 1015.

B

We next examine the nature of Plaintiffs' copyrighted works. "The law generally recognizes a greater need to disseminate factual works than works of fiction or fantasy." *Harper & Row*, 471 U.S. at 563, 105 S.Ct. 2218. In other words, "this factor calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied." *Campbell*, 510 U.S. at 586, 114 S.Ct. 1164. Additionally, published works are more likely to qualify for fair use by subsequent users. *Kelly*, 336 F.3d at 820.

For example, works such as original songs, motion pictures, and photographs taken for aesthetic purposes, are creative in nature and thus fit squarely within the core of copyright protection. *See Sony Corp. v. Universal City Studios, Inc.*, 464 U.S. 417, 455 n. 40, 104 S.Ct. 774, 78 L.Ed.2d 574 (1984); *Kelly*, 336 F.3d at 820. But works such as news broadcasts and news video footage are more factual in nature and thus are more conducive to fair use. *See Sony*, 464 U.S. at 455 n. 40, 104 S.Ct. 774; *KCAL-TV*, 108 F.3d at 1122.

Here, the television footage is a close call. On the one hand, the appearances and concerts are creative in nature and thus fit into a category of work copyright is designed to protect. On the other hand, the footage is of such a significance that it can properly be characterized as "newsworthy" events. The fact that these appearances have already been broadcast on television also weighs in Passport's favor.

But the still photographs and songs used throughout *The Definitive Elvis* require a different analysis. The pictures, in most instances, do not depict newsworthy events, nor are the pictures inherently newsworthy, but instead comprise the photographer's artistic product. Moreover, it is undisputed that original musical compositions are inherently creative. *See Campbell*, 510 U.S. at 586, 114 S.Ct. 1164; *A & M Records*, 239 F.3d at 1016.

The district court found that in total this factor weighed in Plaintiffs' favor. We cannot say that the district court abused its discretion in reaching that conclusion.

C

The third factor is the amount and substantiality of the portion used in relation to the copyrighted work as a whole. This factor evaluates both the quantity of the work taken and the quality and importance of the portion taken. *Campbell*, 510 U.S. at 586, 114 S.Ct. 1164. Regarding the quantity, copying "may not be excused merely because it is insubstantial with respect to the *infringing* work." *Harper & Row*, 471 U.S. at 565, 105 S.Ct. 2218 (emphasis in original).

But if the amount used is substantial with respect to the infringing work, it is evidence of the value of the copyrighted work. *Id.* Regarding the qualitative nature of the work used, we look to see whether "the heart" of the copyrighted work is taken—in other words, whether the portion taken is the "most likely to be newsworthy and important in licensing serialization." *Campbell*, 510 U.S. at 586, 114 S.Ct. 1164; *see also CBS Broad.*, 305 F.3d at 941. Finally, if the new user only copies as much as necessary for his or her intended use, this factor will not weigh against the new user. *Kelly*, 336 F.3d at 820-21.

The district court found that this factor also weighs in Plaintiffs' favor. This conclusion was not an abuse of discretion.

Passport's use of clips from television appearances, although in most cases of short duration, were repeated numerous times throughout the tapes. While using a small number of clips to reference an event for biographical purposes seems fair, using a clip over and over will likely no longer serve a biographical purpose. Additionally, some of the clips were not short in length. Passport's use of Elvis' appearance on *The Steve Allen Show* plays for over a minute and many more clips play for more than just a few seconds.

Additionally, although the clips are relatively short when compared to the entire shows that are copyrighted, they are in many instances the heart of the work. What makes these copyrighted works valuable is Elvis' appearance on the shows, in many cases singing the most familiar passages of his most popular songs. Plaintiffs are in the business of licensing these copyrights. Taking key portions extracts the most valuable part of Plaintiffs' copyrighted works. With respect to the photographs, the entire picture is often used. The music, admittedly, is usually played only for a few seconds.

But when we consider all these facts together, we cannot say that the district court abused its discretion in finding that this factor weighed in Plaintiffs' favor.

D

The last, and "undoubtedly the single most important" of all the factors, is the effect the use will have on the potential market for and value of the copyrighted works. *Harper & Row*, 471 U.S. at 566, 105 S.Ct. 2218. We must "consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also whether unrestricted and widespread conduct of the sort engaged in by the defendant . . . would result in a substantially adverse impact on the potential market for the original." *Campbell*, 510 U.S. at 590, 114 S.Ct. 1164 (quotation marks omitted). The more transformative the new work, the less likely the new work's use of copyrighted materials will affect the market for the materials. *See CBS Broad.*, 305 F.3d at 941. Finally, if the purpose of the new work is commercial in nature, "the likelihood [of market harm] may be presumed." *A & M Records*, 239 F.3d at 1016 (quoting *Sony*, 464 U.S. at 451, 104 S.Ct. 774).

The district court found that Passport's use of Plaintiffs' copyrighted materials likely does affect the market for those materials. This conclusion was not clearly erroneous.

First, Passport's use is commercial in nature, and thus we can assume market harm. *See id.* Second, Passport has expressly advertised that *The Definitive Elvis* contains the television appearances for which Plaintiffs normally charge a licensing fee. If this type of use became widespread, it would likely undermine the market for selling Plaintiffs' copyrighted material.

This conclusion, however, does not apply to the music and still photographs. It seems unlikely that someone in the market for these materials would purchase *The Definitive Elvis* instead of a properly licensed product. Third, Passport's use of the television appearances was, in some instances, not transformative, and therefore these uses are likely to affect the market because they serve the same purpose as Plaintiffs' original works.

We do not think this factor weighs strongly in either side's favor. But, for the reasons stated above that support the district court's decision, we cannot say that the district court abused its discretion in analyzing this factor. Furthermore, because we do not see any legal error or clear error in the district court's factual findings underlying any of the fair-use factors, we hold that the district court did not abuse its discretion in granting the preliminary injunction.

V

We emphasize that our holding today is not intended to express how we would rule were we examining the case *ab initio* as district judges. Instead, we confine our review to whether the district court abused its discretion when it weighed the four statutory fair-use factors together and determined that Plaintiffs would likely succeed on the merits. Although we might view this case as closer than the district court saw it, we hold there was no abuse of discretion in the court's decision to grant Plaintiffs' requested relief.

AFFIRMED.

APPENDIX B — AMENDED DISSENT OF THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT DATED FEBRUARY 6, 2004

United States Court of Appeals,
Ninth Circuit.

No. 02-57011.

ELVIS PRESLEY ENTERPRISES, INC., a Tennessee corporation; National Bank of Commerce, trustee of the Promenade Trust; Sofa Entertainment, Inc., a California corporation; Jane Meadows Allen, trustee of the Allen Family Revocable Living Trust; Jerry Leiber, individually dba Jerry Leiber Music; Mike Stoller, individually dba Mike Stoller Music; Julian J. Aberbach, an individual; Alfred Wertheimer, an individual,

Plaintiffs-Appellees,

v.

PASSPORT VIDEO, a business of unknown form and origin; Passport International Productions, Inc., a California corporation; Passport International Productions of California, Inc., a California corporation; Dante J. Pugliese, an individual,

Defendants-Appellants.

and

Does, 1 through 10, inclusive; Passport Entertainment, a California corporation,

Defendants.

Appendix B

Argued and Submitted Aug. 8, 2003.
Filed Nov. 6, 2003.
Amended Dissent Feb. 6, 2004.

Before: NOONAN, TALLMAN, and RAWLINSON, Circuit Judges.

NOONAN, Circuit Judge, dissenting:

AMENDED DISSENT

The district court has misstated critical facts and has misstated the governing law. For these reasons, we should reverse its grant of a preliminary injunction.

The Facts. That the plaintiffs hold copyrighted materials and the defendant used portions of them were not and are not disputed facts. Passport's principal defense was that its use of the materials was fair use. Here the facts were disputed. Here the district court made critical misstatements as follows:

Finding of Fact 11: "The portions of *The Ed Sullivan Show* included on *The Definitive Elvis* are exact reproductions; the Defendants did not add anything new or transformative to the copyrighted work."

Finding of Fact 13: "The portions of *Ed Sullivan's Rock & Roll Classics— Elvis Presley* included on *The Definitive Elvis* are exact reproductions; the Defendants did not add anything new or transformative to the copyrighted work."

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Finding of Fact 22: "Portions of 'The Elvis 1968 Comeback Special,' 'Elvis Aloha From Hawaii,' and 'Elvis in Concert' have been copied and appear in *The Definitive Elvis*. The portions of these works included on *The Definitive Elvis* are exact reproductions; the Defendants did not add anything new or transformative to the copyrighted works."

Finding of Fact 35: "Portions of the 1956 episode of *The Steve Allen Show* featuring Elvis Presley are copied and appear on *The Definitive Elvis*. The portions of *The Steve Allen Show* included on *The Definitive Elvis* are exact reproductions; the Defendants did not add anything new or transformative to the copyrighted works."

In each of these instances, there are in fact voice-overs produced by Passport. None of the Findings of Fact acknowledge the existence of the voice- overs. These omissions are capital. The voice-overs are indisputably new.

Not only are the ignored voice-overs new. They are transformative. They turn the original Presley shows into part of a substantial biography. The court's denials that newness and transformative quality are characteristic of these uses are substantial errors of fact. To give one example, in the clips taken from *The Steve Allen Show*, the voice-over includes comments from the narrator, Elvis's friends and band members about his appearance on the show and later reactions to his performance from Elvis himself. Rather than regurgitation, Passport provides independent analysis of the appearance and frames it in the context of Elvis's life and career.

Appendix B

In addition to these large errors as to the new and transformative uses, in Finding of Fact 19 on the material used from Elvis Presley Home Movies, the district court failed to note the extraordinarily small amount of material used by Passport. The length of the clip is 4 seconds. It was error to treat as unfair use such a tiny fragment integrated into a large biographical mosaic.

Finding of Fact 43 denies newness or transformative quality to photos copyrighted by photographer Alfred Wertheimer. As in the rest of the documentary, voice-overs accompany many if not all of the photos. The photos are not presented for their own sake. They are intelligently incorporated into the larger, 16-hour biography that Passport has made. Fans wanting photos of Elvis would not find *The Definitive Elvis* to be a viable substitute. The use in the biography is new and transformative.

Finding of Fact 25 bears on music whose copyright is in The Promenade Trust and Finding of Fact 40 bears on music whose copyright holder is L & S. As in its other findings, the district court found nothing new or transformative in the use made by Passport. However, the music is used largely as background, and the median length of the excerpts played was about ten seconds. Voice- overs accompany much of the music, rendering large parts of the excerpts virtually inaudible. Findings of Fact 25 and 40 fail to address the audibility of the music and the relation of the new words to what is played.

The district court adopted eight of the plaintiffs' Findings of Fact on fair use. Six are demonstrably wrong. The two on

music are ambiguous. None can be relied upon. Why the court committed these errors is not difficult to discover. The court adopted wholesale the twelve pages entitled "Findings of Fact" prepared by the plaintiffs. With the exception of eliminating five irrelevant sentences, the court did not change a comma or a phrase.

Such a practice of using findings prepared by a party is not unusual. It is not forbidden, although a judge may not abdicate his responsibility by continuing to omit key facts that have been omitted by the party on whose work the judge is relying. In a copyright case where fair use is the issue, this practice destroys the delicate discrimination necessary if fair use is to be fairly evaluated. We have more than once stated that such mass adoption of "the suggestions" of a party will require "special scrutiny" on appeal. *L.K. Comstock & Co. v. United Eng'rs & Constructors Inc.*, 880 F.2d 219, 222 (9th Cir.1989); *Photo Elecs. Corp. v. England*, 581 F.2d 772, 776-77 (9th Cir.1978). In the instant case, the repeated errors committed by the district court because of its reliance on the drafting of the plaintiffs relieve us of any duty to defer to the trial judge.

The district judge's job in reviewing uses claimed to be transformative is particularly important as the fair use doctrine is intended to preserve the values enshrined in the First Amendment. *See Eldred v. Ashcroft*, 537 U.S. 186, 219-20, 123 S.Ct. 769, 154 L.Ed.2d 683 (2003). When the trial court simply accepts the defendant's assertions, the constitutional values are ignored.

The Law. The district court found the plaintiffs' statement of the law as exact as the plaintiffs' rendition of the facts. Doing so, the court repeated several truisms, but on the critical point at issue it again fell into serious error. What the plaintiffs, and the district court following the plaintiffs, neglected to note is the need of an examination of "the public interest in determining the appropriateness of a preliminary injunction." *Sammartano v. First Judicial District*, 303 F.3d 959, 974 (9th Cir.2002); *see also Fund for Animals v. Lujan*, 962 F.2d 1391, 1400 (9th Cir.1992). *Sammartano* makes clear that "[w]hile we have at times subsumed this inquiry into the balancing of hardships, it is better seen as an element that deserves separate attention in cases where the public interest may be affected." *Sammartano*, 303 F.3d at 974 (citation omitted).

The resolution of this case and the grant of the preliminary injunction affect the public interest. The King is dead but his legacy remains very much alive. *The Definitive Elvis* documentary purports to offer the public, as described by its packaging, "an all-encompassing, in-depth look at the life and career of a man whose popularity is unrivaled in the history of show business and who continues to attract millions of new fans each year." A review by a more objective source, *The USA Today*, described the documentary as "the most comprehensive overview yet of the King's personal and professional life." Edna Gunderson, *'The Definitive Elvis': Eight CDs, 16 Hours, $99*, USA Today, July 19, 2002, at 1E.

In *Abend v. MCA*, 863 F.2d 1465, 1479 (9th Cir.1988), *aff'd sub nom. Stewart v. Abend*, 495 U.S. 207, 110 S.Ct. 1750, 109 L.Ed.2d 184 (1990), another case not addressed

by the district court's Conclusions of Law, our court found that because "an injunction could cause public injury by denying the public the opportunity to view a classic film," Hitchock's *Rear Window*, monetary damages would adequately compensate the plaintiff for any infringement. Other courts have reached similar conclusions, finding "a strong public interest favoring the publication of books and novels." *Trust Co. Bank v. Putnam Publ'g Group, Inc.*, 5 U.S.P.Q.2d 1874, 1877, 1988 WL 62755 (C.D.Cal.1988). There is "little doubt" that a television biography of Muhammed Ali "is a subject of public interest," *Monster Communications, Inc. v. Turner Broad. Sys., Inc.*, 935 F.Supp. 490, 494 (S.D.N.Y.1996). There is equally little doubt of the public interest in Elvis.

The district court conducted no analysis of the public interest, either as part of a balancing of hardships or as the separate inquiry called for by *Sammartano*. This failure also led to the district court ignoring money damages as the appropriate equitable remedy for any infringement where fair use was not shown. *Abend*, 863 F.2d at 1479. In a case of this kind involving the biography of a man with an immense following, it is necessary for a court to keep in mind that injunctions are a device of equity and are to be used equitably, and that a court suppressing speech must be aware that it is trenching on a zone made sacred by the First Amendment. *See* Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 Duke L.J. 147 (1998).

The district court's absolute neglect of this interest is compounded by the absolute absence of attention to it by

this court in its opinion in this case. Indifference to the public interest at stake incorporates a profound misunderstanding of the purpose of the constitutional empowerment of Congress to protect copyright. As the Supreme Court, reversing this circuit twenty years ago, patiently explains: "The monopoly privileges that Congress may authorize are neither unlimited nor primarily designed to provide a special private benefit. Rather, the limited grant is a means by which an important public purpose may be achieved." *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 429, 104 S.Ct. 774, 78 L.Ed.2d 574 (1984).

The *Sony* Court went on to quote *United States v. Paramount Pictures*:

> "The sole interest of the United States and the primary object in conferring the monopoly lie in the general benefits derived by the public from the labors of authors." It is said that reward to the author or artist serves to induce release to the public of the products of his creative genius.

334 U.S. 131, 158, 68 S.Ct. 915, 92 L.Ed. 1260 (1948) (quoting Chief Justice Hughes in *Fox Film Corp. v. Doyal*, 286 U.S. 123, 127, 52 S.Ct. 546, 76 L.Ed. 1010 (1932)). To neglect the public interest in the protection afforded a copyright is to forget the purpose of copyright law. The constitution permits the creation of temporary monopolies in a context ruled by our American suspicion of monopolies and our high valuation of freedom of expression. *See Eldred v. Ashcroft*, 537 U.S. at 219, 123 S.Ct. 769.

Appendix B

"We review a grant or denial of a preliminary injunction for abuse of discretion," and "[a]pplication of erroneous legal principles represents an abuse of discretion by the district court." *A & M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1013 (9th Cir.2001). The district court's failure to apply the appropriate legal standard was such an abuse of discretion.

As to each of the factors bearing on fair use, the present opinion of the court defers to the factfinding of the district court and emphasizes that "our holding today is not intended to express how we would rule were we examining the case *ab initio* as district judges." But given the string of factual errors committed by the district judge, we make a mistake in according such deference. The mistake is magnified by the district court's and this court's remarkable error of law in failing to weigh the public interest in a biography of Elvis.

For these reasons, the grant of the preliminary injunction was a miscarriage of justice.

APPENDIX C — FINDINGS OF FACT AND CONCLUSIONS OF LAW IN CONNECTION WITH ORDER GRANTING PRELIMINARY INJUNCTION OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA DATED NOVEMBER 15, 2002 AND FILED NOVEMBER 18, 2002

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

CASE NO. 02-7042 RSWL (RZx)

ELVIS PRESLEY ENTERPRISES, INC.,
a Tennessee corporation, *et al.*

Plaintiffs,

v.

PASSPORT ENTERTAINMENT,
a California corporation, *et al.*

Defendants.

FINDINGS OF FACT AND CONCLUSIONS OF LAW IN CONNECTION WITH ORDER GRANTING PRELIMINARY INJUNCTION

Courtroom: 21
Judge: Hon. Ronald S.W. Lew

As ordered by the Court at the hearing on October 22, 2002 at 9:00 a.m. on Plaintiffs' Application for Preliminary Injunction, plaintiff's submit the following Findings of Fact and Conclusions of Law.

Appendix C

FINDINGS OF FACT

The Court finds that the following facts are likely to be established at trial.

A. *The Definitive Elvis*

1. On July 23, 2002, Defendants released a product entitled "25th Anniversary Elvis: The Definitive Collection August 16, 1977 - August 16, 2002," otherwise entitled "The Definitive Elvis."

2. The Definitive Elvis box set includes a 16-hour series on 8 videos, in both DVD or VHS format, and has a list price of $99.00.

3. The Definitive Elvis box set product prominently features the name and images of Elvis Presley throughout the recordings, and over a substantial portion of the product's packaging and advertising.

4. The Definitive Elvis is advertised as an "all-encompassing, in-depth took" at the life and career of Elvis and is touted as a "groundbreaking" series "brimming with classic film clips, rare home movies, never-before-seen photos" and newly produced footage.

5. The packaging of The Definitive Elvis represents that "every film and television appearance is represented in this series as well as rare footage of many of Elvis' tours and concerts."

6. The name "ELVIS" is stamped in large print on the top and main panel of The Definitive Elvis box set, and an image of Elvis Presley appears on the cover and spine of each individual disc in the set.

7. The Definitive Elvis includes reproductions of excerpts, and material portions of each of Plaintiffs' copyrighted works, as well as additional intellectual properties, including Elvis Presley's name, voice, likeness, or marks.

8. The Defendants are not licensees of, and are not authorized by any of Plaintiffs to manufacture, promote, advertise, distribute, display, offer for sale or sell any of the copyrighted works reproduced and incorporated into The Definitive Elvis box set, nor have the Defendants paid any compensation to plaintiffs for their use of the copyrighted material.

B. *SOFA Entertainment, Inc.*

10. Plaintiff SOFA Entertainment, Inc. ("SOFA") is a producer of movies, videos and television programs and is the owner of various entertainment properties, including *The Ed Sullivan Show.*

11. SOFA is the registered copyright holder of various episodes of The Ed Sullivan show which feature Elvis Presley. SOFA is the registered copyright holder of the episode of *The Ed Sullivan Show* featuring Elvis Presley that aired January 6, 1957, registered with the United States Copyright Office pursuant to Certificate of Registration No.

No. PAu-910-701. Clips from the copyrighted *The Ed Sullivan Show* have been reproduced and appear in The Definitive Elvis. The portions *of The Ed Sullivan Show* included on The Definitive Elvis are exact reproductions; the Defendants did not add anything new or transformative to the copyrighted work.

12. Although initially registered to Sullivan Productions, Inc., Copyright Registration No. No. PAu-910-701 was transferred to SOFA Entertainment, L.P. pursuant to a Television Library Acquisition Agreement dated on August 16, 1990 between Sullivan Productions, Inc. and SOFA Entertainment, L.P. In 1995, SOFA Entertainment L.P. was dissolved and the rights were assigned to Plaintiff SOFA.

13. Plaintiff SOFA is the registered copyright holder of *Ed Sullivan's Rock & Roll Classics - Elvis*, registered with the United States Copyright Office pursuant to Certificate of Registration No. PA I-069-583, portions of which have been reproduced and appear on The Definitive Elvis. The portions of *Ed Sullivan's Rock & Roll Classics - Elvis Presley* included on The Definitive Elvis are exact reproductions; the Defendants did not add anything new or transformative to the copyrighted work.

14. Part of SOFA's business consists of licensing the above *Ed Sullivan* copyrighted works as well as other works. SOFA paid a large sum of money to obtain the rights to the above copyrighted works in order to be able to license them for profit. SOFA is in the market of licensing its copyrighted works, including the copyrighted *The Ed Sullivan Show*, to documentary film makers, biographers, advertisers, movie

makers, and television producers to show small portions of SOFA's copyrighted works in their own productions.

15. Elvis Presley appeared on The Ed Sullivan show three times. He appeared in September 9, 1956, October 28, 1956, and January 6, 1957. The September 9, 1956 appearance lasted 13 minutes 2 seconds, the October 28, 1956 appearance lasted 14 minutes 15 seconds, and the January 6, 1957 appearance lasted 14 minutes 42 seconds.

16. In October 2001, Andrew W. Solt, President of SOFA, was informed that the Passport Defendants and Pugliese were in the process of producing a series or program in which they planned to use clips of Elvis from *The Ed Sullivan Show*. Mr. Solt contacted Pugliese on or about October 29, 2001, to inform him that SOFA had not licensed or otherwise approved or authorized the use of any of its Elvis or *The Ed Sullivan Show* properties by any of the Defendants, and that SOFA would consider any unauthorized use of the properties by Defendants to be copyright infringement.

17. The Defendants Dante J. Pugliese, Passport International Productions, Passport Entertainment, Inc., Passport Video and Passport International Productions, of California, Inc. are not licensees of, and are not authorized by SOFA to manufacture, promote, advertise, distribute, display, offer for sale or sell any of the copyrighted Ed Sullivan material incorporated into The Definitive Elvis. Defendants have not paid any compensation to Plaintiff SOFA for their use of the copyrighted material.

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C. Elvis Presley Enterprises, Inc. and The Promenade Trust

18. Plaintiff Elvis Presley Enterprises, Inc. ("EPE") is the corporate entity that was created by The Elvis Presley Trust to conduct business and manage its assets. In addition to operating Elvis Presley's home, known as "Graceland," EPE's business includes the worldwide licensing of Elvis-related products and ventures, the development of Elvis-related music, film, video, television and stage productions, the ongoing development of EPE's Internet presence, and the management of significant music publishing assets. Lisa Marie Presley, Elvis Presley's only child and the sole remaining heir to Elvis' estate, is the owner and Chairman of the Board of EPE.

19. EPE is the registered copyright holder of several of Elvis' performances, including *Elvis Presley - Home Movies* (the "Home Movies Copyrighted Work"), registered with the United States Copyright Office pursuant to Certificate of Registration No. PAu 1 262 281. Portions of this material have been reproduced and included on The Definitive Elvis. The portion of *Elvis Presley - Home Movies* included on The Definitive Elvis is an exact reproduction; the Defendants did not add anything new or transformative to the copyrighted work.

20. The Defendants Dante J. Pugliese, Passport International Productions, Passport Entertainment, Inc., Passport Video and Passport International Productions, of California, Inc. are not licensees of, and are not authorized by EPE to manufacture, promote, advertise, distribute,

display, offer for sale or sell the copyrighted material from *Elvis Presley - Home Movies*, which is reproduced in The Definitive Elvis. Defendants have not paid any compensation to Plaintiff EPE for their use of the copyrighted material.

21. The Promenade Trust is the holder of the rights to the following copyrighted works: "The Elvis 1968 Comeback Special (a/k/a "The Singer Special")," registered with the United States Copyright Office pursuant to Certificate of Registration No. PAu 541-4438; "Elvis Aloha From Hawaii," registered with the United States Copyright Office pursuant to Certificate of Registration No. PAu 541-442C; "Elvis in Concert" registered with the United States Copyright Office pursuant to Certificate of Registration No. PAu 545-679D.

22. Portions of "The Elvis 1968 Comeback Special," "Elvis Aloha From Hawaii," and "Elvis in Concert" have been copied and appear in "The Definitive Elvis." The portions of these works included on The Definitive Elvis are exact reproductions; the Defendants did not add anything new or transformative to the copyrighted works.

23. The Defendants are not licensees of, and are not authorized by The Promenade Trust to manufacture, promote, advertise, distribute, display, offer for sale or sell the copyrighted material from "The Elvis 1968 Comeback Special," "Elvis Aloha From Hawaii," and "Elvis in Concert" that is reproduced in The Definitive Elvis. Defendants have not paid any compensation to Plaintiff The Promenade Trust for their use of the copyrighted material.

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24. The Promenade Trust possesses ownership interests in the copyrights of the following musical compositions:

Musical Composition	*Copyright Renewal Number*
"Can't Help Falling in Love With You"	RE 415-211
"Don't Be Cruel"	RE 193250; RE 195606
"G.I. Blues"	RE 367-167; RE 370-310
"Hound Dog"	RE 82-406; RE 198443
"It's Now or Never"	RE 368-224; RE 366-671
"Love Me Tender"	RE 203831; RE 203829
"Return to Sender"	RE 477698
"Stuck on You"	RE 369-439; RE 386-593; RE 366-560
"Teddy Bear"	RE 233-752; RE 234-403; RE 233-757

25. The copyrights for each of the musical compositions identified in paragraph 23 above, were originally registered to EP Music Inc. and Gladys Music Inc. EP Music Inc. and Gladys Music Inc. were owned 50% by Elvis Presley (later the Estate of Elvis Presley), 25% by Julian Aberbach, and 25% by Susan Aberbach. The Estate of Elvis Presley's interests were then transferred to The Promenade Trust in accordance with an Assignment of Copyright and Transfer of Rights dated January 29, 1993. The Promenade Trust now holds Elvis' rights, title and interest to all the identified musical compositions. The Definitive Elvis contains excerpts

constituting material portions of each of the identified musical compositions. The portions of these works included on The Definitive Elvis are exact reproductions; the Defendants did not add anythi..g new or transformative to the copyrighted works.

26. The Defendants Dante J. Pugliese, Passport International Productions, Passport Entertainment, Inc., Passport Video and Passport International Productions, of California, Inc. are not licensees of, and have never received authorization from The Promenade Trust or EPE to manufacture, produce, promote, advertise, distribute, display, offer for sale or sell any of the musical compositions for which The Promenade Trust holds an interest. Neither The Promenade Trust nor EPE has received compensation from Defendants for their use of material subject to the above copyrights in The Definitive Elvis.

27. Part of EPE and The Promenade Trust's business consists of licensing the above copyrighted works as well as other works. EPE and The Promenade Trust are both in the market of licensing their copyrighted works, including the above copyrighted works, to documentary film makers, biographers, advertisers, movie makers, and television producers to show small portions of the copyrighted works in their own productions.

28. In 2004, EPE is planning to release a video series commemorating the anniversary of Elvis Presley's first performance. To that end, since 1998 EPE and the Promenade Trust have not granted licenses of the Copyrighted Works to documentary or biographical types of programs which would

compete with EPE's planned production. EPE's market for the licensing of the above Elvis copyrighted works operates in the same competitive marketplace as The Definitive Elvis. EPE's planned documentary production also would compete in the same marketplace as The Definitive Elvis.

29. EPE holds federal registrations for the marks "ELVIS" and "ELVIS PRESLEY."

30. On or about June 1, 2001, EPE became aware that Defendants were in the initial stages of a production called "The Definitive Elvis," and that Defendants planned to use Elvis' publicity rights, name, and marks, as well as copyrighted materials.

31. On or about June 20, 2001, Gary Hovey, Vice-President, Entertainment and Music Publishing of EPE, met with Defendant Pugliese. Pugliese told Mr. Hovey that his production company had conducted interviews of various people who knew or had met Elvis and that he was planning to produce a series to commemorate the 25th anniversary of Elvis' August 1977 death. He told Mr. Hovey that he planned to include excerpts from the interviews as well as video and audio material from Elvis' recordings, concerts, television appearances, movies and other appearances. He planned to call the series "The Definitive Elvis." Pugliese asked Mr. Hovey whether EPE would license its rights to the Elvis intellectual properties owned by EPE. Mr. Hovey informed Pugliese that EPE would not license any of its properties for use in his proposed "The Definitive Elvis." Mr. Hovey explained that EPE was in the process of preparing its own "definitive" anthology to commemorate the 50th anniversary

of the beginning of Elvis Presley's professional career in 1954, and did not want to undercut that project by participating in another "definitive" production.

D. *The Allen Trust Copyrighted Works*

32. Plaintiff Jayne Meadows Allen is the widow of Steve Allen and the surviving trustee of the Alien Family Revocable Living Trust (the "Allen Trust").

33. The Allen Trust is the holder of approximately 147 one hour programs of "The Steve Allen Show," including the 1956 episode featuring Elvis Presley, registered with the United States Copyright Office pursuant to Certificate No. PAu 1 C44 563. This registration includes the 1956 episode featuring Elvis Presley.

34. The Allen Trust is also the registered copyright owner of the shorter, edited versions of approximately 100 episodes of "The Steve Allen Show", registered with the United States Copyright Office pursuant to Certificate of Registration No. PA 571 415. Although each of the Allen Trust copyrights initially were registered to Steve Allen, the registrations were assigned to the Allen Trust in 1996.

35. Portions of 1956 episode of The Steve Allen Show featuring Elvis Presley are copied and appear on The Definitive Elvis. The portions of The Steve Allen Show included on The Definitive Elvis are exact reproductions; the Defendants did not add anything new or transformative to the copyrighted works.

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36. The Allen Trust is engaged in the business of licensing clips of The Steve Allen Show, including the clips that were copied and used in The Definitive Elvis.

37. The Defendants Dante J. Pugliese, Passport International Productions, Passport Entertainment, Inc., Passport Video and Passport International Productions, of California, Inc. are not licensees of, and are not authorized by the Allen Trust to manufacture, promote, advertise, distribute, display, offer for sale or sell any portion of The Steve Allen Show incorporated into The Definitive Elvis box set, nor have the Defendants paid any compensation to The Allen Trust for their use of the copyrighted material.

E. ***Leiber & Stoller***

38. Plaintiff's Jerry Leiber and Mike Stoller ("L&S") have composed numerous musicial compositions, including some performed by Elvis Presley. L&S's business consists in large part of licensing musical compositions for which L&S owns copyrights, including the L&S copyrighted works below, which were played in The Definitive Elvis.

39. L&S are the holders of the copyrights to the following musical compositions:

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Copyrighted Song	Copyright Registration Number	Renewal Registration Number
"Bossa Nova, Baby"	Eu 746 167 Eu 180 434	RE 473 378 RE 537 763
"Jailhouse Rock"	Ep 112 749 Eu 477 666	RE 234 387 RE 234 406
"King Creole"	Ep 120 744	RE 285 419
"Loving You"	Eu 473 857 Ep 108629	RE 255 169 RE 255 173
"Girls, Girls, Girls"	Ep 169 753	RE 473 389
"Little Egypt"	Eu 665 251 Ep 153 524	RE 418 893 RE 423 008
"(You're So Square) Baby, I Don't Care"	Eu 480 671 Ep 112 883	RE 248 691 RE 243 233
"Good Rockin' Tonight"	Eu 128513	R 604413
"Do Wah Diddy"	Eu 796 084 Ep 193 467	RE 585 084 RE 529 632 RE 569 560

40. Portions of each of the above musical compositions were played in The Definitive Elvis, effectively supplementing the soundtrack of the production. The portions of these works

included on The Definitive Elvis are exact reproductions; the Defendants did not add anything new or transformative to the copyrighted works.

41. The Defendants Dante J. Pugliese, Passport International Productions, Passport Entertainment, Inc., Passport Video and Passport International Productions, of California, Inc. are not licensees of, and have never received authorization from L&S to manufacture, produce, promote, advertise, distribute, display, offer for sale or sell any of the above musical compositions. L&S has not received compensation from Defendants for their use of the L&S copyrighted works in The Definitive Elvis.

F. *Alfred Wertheimer*

42. Plaintiff Alfred Wertheimer ("Wertheimer") compiled the photographs he took of Elvis Presley and put them into a photograph collection entitled, "Elvis Presley 1956 and 1958," which he then registered with the United States Copyright Office pursuant to Certificate of Registration No. VA 825-950.

43. Seventeen photographs from the copyrighted collection "Elvis Presley 1956 and 1958" appear in The Definitive Elvis. Some of the photographs appear multiple times. Defendants did not add anything new or transformative to the copyrighted works, but merely included images of the copyrighted photographs throughout The Definitive Elvis.

44. Mr. Wertheimer assesses a licensing fee for the use of any of the photographs in the copyrighted collection.

45. The Defendants Dante J. Pugliese, Passport International Productions, Passport Entertainment, Inc., Passport Video and Passport International Productions, of California, Inc. are not licensees of, and have never received authorization from Mr. Wertheimer to manufacture, produce, promote, advertise, distribute, display, offer for sale or sell any photographs from "Elvis Presley 1956 and 1958." Mr. Wertheimer did not receive compensation from Defendants for their use of photographs in The Definitive Elvis.

G. *Laches*

46. Based on the findings of fact set forth above, the Court concludes that Plaintiffs did not unreasonably delay in bringing this action or in seeking equitable relief.

CONCLUSIONS OF LAW

1. This court has jurisdiction pursuant to 28 U.S. §§ 1331 and 1338.

2. A preliminary injunction should be granted if a plaintiff can show either: (1) a combination of probable success on the merits and the possibility of irreparable injury; or (2) that serious questions are raised and the balance of hardships tips sharply in plaintiff's favor. *Rodeo Collection, Ltd. v. West Seventh*, 812 F.2d 1215 (9th Cir. 1987); *Apple Computer, Inc. v. Formula International, Inc.*, 725 F.2d 521, 523 (9th Cir. 1984). These standards apply where a preliminary injunction is sought as relief from alleged acts of trademark or copyright infringement and unfair competition. *See Apple Computer, Inc. v. Formula International, Inc.*, 725 F.2d at 523; 4 R. Callman, *The Law of Unfair Competition, Trademarks and Monopolies*, § 22.34 at 158 (4th ed. 1983 and Supp. 1990).

3. Issuing a preliminary injunction in a copyright infringement case such as this is not an unconstitutional prior restraint of speech. *A&M Records, Inc., v. Napster, Inc.*, 239 F.3d 1004 (9th Cir. 2001); *Dr. Seuss Enters. v. Penguin Books USA Inc.*, 109 F.3d 1394, 1403 (9th Cir. 1997).

4. To prove copyright infringement pursuant to 17 U.S.C. § 106, Plaintiffs must show that (i) they own copyrights; (ii) the Defendants had "access" to the works subject to copyright; and (iii) the copyrighted works and Defendants' work share "substantial similarity." *McCulloch v. Albert E. Price, Inc.*, 823 F.2d 316, 318 (9th Cir. 1987); *Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1164 (9th Cir. 1977).

5. The certificates of registration and renewal of the copyrights are *prima facie* evidence of the validity of the copyright and the plaintiffs' ownership of them. *See* 17 U.S.C. § 41-(c); *Academy of Motion Picture Arts and Sciences v. Creative House Promotions, Inc.*, 944 F.2d 1446, 1451 (9th Cir. 1991).

6. The Copyright Act grants copyright holders the "exclusive right" to control "distribution" and "reproduction" of their copyrighted works as they deem fit. 17 U.S.C. §§ 106(1), (3). Copyright owners thus have the exclusive right under the Copyright Act to make their works available to the public however they wish — including the right arbitrarily to refuse to make their works available in a certain way, as well as the right to hoard the works and refuse to make them publicly available at all. *Stewart v. Abend*, 495 U.S. 207, 228-29 (1990).

7. The unauthorized use of Plaintiffs copyrighted works in The Definitive Elvis constitutes infringement of a copyright owners' distribution, reproduction, and display rights. 17 U.S.C. § 101, 106(5), 501; *Schmidt v. Holy Cross Cemetary*, 840 F. Supp. 829 (D. Kan. 1993); *Thomas v. Pansy Ellen Products, Inc.*, 672 F. Supp. 237 (W.D.N.C. 1987).

8. Based on the findings of fact set forth above, the Court concludes that Plaintiffs are likely to succeed on the merits of their claims for copyright infringement.

9. Defendants' use of Plaintiffs' the copyrighted materials in The Definitive Elvis is not fair use.

10. In determining the validity of the fair use defense, courts balance the following non-exclusive factors set forth in 17 U.S.C. § 107:

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

(2) the nature of the copyrighted work;

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market for or value of the copyrighted work.

11. The Court concludes that it is unlikely that Defendants' reproduction and use of plaintiffs' copyrighted

materials in The Definitive Elvis is fair use because plaintiffs will establish the purpose and the character of the use is commercial and is not transformative; each of the copyrighted works is inherently creative; Defendants have taken a substantial portion of the copyrighted materials; and Defendants' taking will result in a substantially adverse impact on the potential market for, or value of, the copyrighted materials. *Los Angeles News Service v. KCAL-Channel 9*, 108 F.3d 1119 (9th Cir. 1997), *cert. denied*, 522 U.S. 823 (1997); *Los Angeles News Service v. CBS Broadcasting*, 2002 WL 31051541 (9th Cir. 2002); *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 562 (1985); *Los Angeles News Service v. Reuters Television Int'l, Ltd.*, 149 F.3d 987, 994 (9th Cir. 1998), *cert. denied*, 525 U.S. 1141 (1999); *Los Angeles News Service v. Tullo*, 973 F.2d 791, 798 (9th Cir. 1991); *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 592 (1994).

12. Because the Court concludes that Plaintiffs are likely to succeed on the merits of their claims of copyright infringement, irreparable injury is presumed. *Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240, 1254 (3d Cir. 1983), *cert. dismissed*, 464 U.S. 1033 (1984).

13. Here, based on the findings of fact set forth above, the Court concludes that Plaintiffs did not unreasonably delay in bringing this action and that their request for equitable relief is not barred by the doctrine of laches. *Sega Enterprises Ltd. v. Accolade, Inc.*, 785 F. Supp. 1392 (N.D.Cal.,1992); *Hampton v. Paramount Pictures Corp.*, 279 F.2d 100 (9th Cir. 1960); *Central Point Software, Inc. v. Global Software & Accessories*, 880 F. Sup. 957 (E.D.N.Y. 1995); *In Design v. Lauren Knitwear Corp.*, 782 F. Supp. 824, 831 (S.D.N.Y. 1991).

Appendix C

14. By reason of the foregoing, Plaintiffs have established an entitlement to a preliminary injunction.

If any fact is a conclusion of law, it shall be deemed a conclusion of law; if any conclusion of law is better construed as a fact, it shall be deemed a fact.

ACCORDINGLY, IT IS ORDERED that Plaintiffs' Application for Preliminary Injunction is Granted.

DATED: 11-15, 2002

s/ Ronald S.W. Lew
Judge Ronald S.W. Lew
United States District Judge

APPENDIX D — ORDER GRANTING PRELIMINARY INJUNCTION OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA DATED NOVEMBER 15, 2002

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

CASE NO. 02-7042 RSWL (RZx)

ELVIS PRESLEY ENTERPRISES, INC., a Tennessee corporation NATIONAL BANK OF COMMERCE, trustee of "THE PROMENADE TRUST"; SOFA ENTERTAINMENT, INC. a California corporation; JAYNE MEADOWS ALLEN, trustee of the "ALLEN FAMILY REVOCABLE LIVING TRUST' JERRY LEIBER individually and dba JERRY LEIBER MUSIC' MIKE STOLLER individually and dba MIKE STOLLER MUSIC JULIAN J. ABERBACH and ALFRED WERTHEIMER, an individual,

Plaintiffs,

v.

PASSPORT ENTERTAINMENT, a California corporation; PASSPORT VIDEO a business of unknown form and origin; PASSPORT INTERNATIONAL PRODUCTIONS, INC. a California corporation; PASSPORT INTERNATIONAL PRODUCTIONS, OF CALIFORNIA, INC., a California corporation; DANTE PUGLIESE, an individual, and DOES 1 through 100, inclusive,

Defendants.

Appendix D

ORDER GRANTING PRELIMINARY INJUNCTION

The Application of Plaintiffs for an Order to Show Cause re Preliminary Injunction and Impoundment came on for hearing before this Court on October 21, 2002. All parties appeared and were represented by counsel. The Court, having considered all arguments made and all papers submitted, finds that Plaintiffs have carried the burden of demonstrating that they are entitled to the issuance of a preliminary injunction.

(Preliminary Injunction)

1. IT IS HEREBY ORDERED that, pending the final disposition of this matter, Defendants Passport Video, Passport International Productions, Inc., Passport International Productions, of California, Inc., and Dante Pugliese and each of their officers, agents, servants, employees, successors and assigns, attorneys and all those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise, be, and hereby are, PRELIMINARILY ENJOINED from:

> Manufacturing, copying, importing, displaying, marketing, distributing, advertising, transferring, circulating, offering for sale, or selling the product consisting of an eight video or eight disc set entitled "25th Anniversary Elvis: The Definitive Collection August 16, 1977 - August 16, 2002," otherwise entitled "The Definitive Elvis."

Appendix D

(Bond / Fees)

2. The above preliminary injunction is effective on Plaintiffs' filing of an undertaking in the form of a bond, certified, cashiers or attorneys' check or check drawn on Plaintiffs' bank account, or cash to the amount of three hundred thousand dollars ($300,000.00) to secure payment of such costs and damages not to exceed such sum as may be suffered or sustained by any party who is found to be wrongfully restrained hereby.

DATED: 11-15, 2002

s/ Ronald S.W. Lew
Judge Ronald S.W. Lew
United States District Judge

APPENDIX E — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT DENYING PETITION FOR REHEARING FILED FEBRUARY 12, 2004

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

No. 02-57011

ELVIS PRESLEY ENTERPRISES, INC.,
a Tennessee corporation; et al.,

Plaintiffs - Appellees,

v.

PASSPORT VIDEO,
a business of unknown form and origin; et al.,

Defendants - Appellants,

and,

DOES, 1 THROUGH 10, inclusive; et al.,

Defendants.

D.C. No. CV-02-7042-RSWL
Central District of California,
Los Angeles

ORDER

Appendix E

Before: NOONAN, TALLMAN, and RAWLINSON, Circuit Judges.

Judges Tallman and Rawlinson have voted to deny the petition for panel rehearing and to deny the petition for rehearing en banc. Judge Noonan has voted to grant the petition for rehearing and recommends granting the petition for rehearing en banc.

The full court has been advised of the petition for rehearing en banc and no judge has requested a vote on whether to rehear the matter en banc. Fed. R. App. P. 35.

The petition for panel rehearing and the petition for rehearing en banc are denied.